



*Office of the United States Attorney  
District of Arizona*

FOR IMMEDIATE RELEASE  
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## **RETIRED DOD EMPLOYEE PLEADS GUILTY TO STEALING COMMISSARY FUNDS**

TUCSON, Ariz. - Retired store director for the Davis-Monthan Air Force Base Commissary James R. Leahey, 69, of Marble Falls, Texas, pleaded guilty today in front of U.S. Magistrate Judge Jennifer C. Guerin to Theft of Public Money and Money Laundering after it was discovered by DOD and IRS officials that Leahey stole at least \$128,000 in a fraud scheme.

During the change of plea hearing today, Leahey admitted that between October 2, 1997, and July 13, 2004, while serving as the store director for the Davis-Monthan Air Force Base Commissary, Tucson, Ariz., he converted hundreds of "vendor checks" totaling at least \$128,000 to cash and used the funds to gamble and make personal purchases.

Defense Criminal Investigative Service Resident Agent in Charge Brian Cusumano stated that "this case serves as an example of the dedication of the Defense Criminal Investigative Service in pursuing all cases that consist of theft of U.S. tax payer's money; particularly at a time of war."

Military commissaries are supermarkets, usually located on military installations, that sell food, sundry and cleaning products for just above cost to active duty military, guard and reserve members, retirees and qualified family members who have a valid military ID. Sometimes the Commissary sells goods at a reduced price at the request of the vendors who supply the products for resale. When this occurs, the vendors issue "vendor checks" to the Commissary in the amount of lost revenue resulting from the mark-down.

As store director, Leahey was responsible for all Davis-Monthan Air Force Base Commissary operations and personally received the "vendor checks" from the Commissary's vendors. Over a six and one-half year period, Leahey purposely failed to log hundreds of vendor checks in amounts from \$50 to in excess of \$1,400 into the Commissary's books. He then exchanged the stolen checks for cash from a store cash drawer and kept the cash for his personal use. Leahey converted at least \$128,000 into cash for his own use.

Sentencing is set before U.S. District Judge Cindy K. Jorgenson on January 8, 2008 at 10:00 a.m.. Convictions for Theft of Public Money and Money Laundering each carry a maximum penalty of 10 years in prison, a \$250,000 fine or both. In determining an actual sentence, Judge Cindy K. Jorgenson will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

The investigation in this case was conducted by Defense Criminal Investigative Service and the Criminal Investigation Division of the Internal Revenue Service. The prosecution is being handled by Mary Sue Feldmeier, Assistant U.S. Attorney, District of Arizona, Tucson, Ariz.

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